
Subject: Vendor Sanction System – State Agency Violations

Effective Date: October 1, 2014

Revised from: October 1, 2012

Policy: Kansas WIC vendors determined to be in violation of WIC program policies and procedures, state statutes, the Vendor Participation Contract or Vendor Manual shall be sanctioned as indicated below.

Vendor violations may be intentional or unintentional. The Kansas WIC program may refer vendors who commit fraud and/or abuse of the WIC program to federal, state or local authorities for prosecution under applicable statutes.

The Kansas WIC program detects violations through monitoring, undercover buys, data analysis and reports from WIC clients and Local Agencies (LA). Vendors who commit fraud and abuse may be prosecuted under federal, state and local laws and may be fined or imprisoned in addition to program sanctions.

Imposed sanctions may include warning letters, mandatory training sessions, administrative fines, monetary claims, Civil Money Penalties (CMP), suspensions, terminations or disqualifications or any combination of sanctions.

In addition to the sanctions mandated by federal regulations, the State Agency (SA) will institute program sanctions. Each instance of a violation of Kansas WIC program rules has a set point value. The accumulation of fifteen (15) points or more within a contract cycle will result in termination of the Vendor Participation Contract and a six month (6) disqualification from the Kansas WIC program. Refer to VEN 04.00.00 Vendor Contract Renewal for information about contract cycles.

Program sanctions can also take the form of warning letters with or without mandatory training session(s) and monetary fines. The following table lists Kansas WIC program sanctions:

Points	Sanction	Time Frame
3 - 5	Warning Letter with possible Mandatory Training session(s)	Points will accumulate for the vendor's contract cycle.
6 - 9	\$100.00 fine	
10 - 14	\$250.00 fine	
15 +	Termination of Contract and six (6) month disqualification	

Subject: Vendor Sanction System – State Agency Violations

If a vendor is disqualified from the Kansas WIC program, that vendor may also be subjected to a termination from the Supplemental Nutrition Assistance Program, aka Kansas Food Assistance Program. Likewise, a vendor disqualified from the Supplemental Nutrition Assistance Program may have its WIC authorization terminated.

The State Agency must provide written notice of any sanctions imposed against a vendor. The notice must specify:

- the sanction being imposed,
- the effective date of the sanction,
- the reasons for the sanction, and
- explain the vendor's right to and the procedures to follow to obtain an administrative review.

Notice must be given prior to any sanction being imposed, with the exception of disqualification due to conviction of trafficking WIC checks.

Reference: 7 CFR § 246.12, VEN 04.00.00 Vendor Contract Renewal

Procedure:

1. Violations under Sections A and B will remain on the vendor's record for sanction purposes for duration of the vendor's current contract cycle (3 years). If the State Agency is able to determine that the vendor has complied within the following 12 months after being sanctioned for a violation in section A or B, then any subsequent incidence of that violation will be considered an initial incidence of that violation.

Section A – State Agency Imposed Sanctions for Administrative and Procedural Violations – sanction points under this section will be assigned after the second incidence of the violation.

Violation	Points
1. Offering incentive items solely to WIC participants	2
2. Failure to post the State approved WIC decal in a highly visible location	2
3. Inappropriate use of the WIC logo and acronym	2
4. Failure to display the current price of an authorized WIC food item on the item, shelf or nearby sign	2
5. Failure to respond timely to dated material	2
6. Failure to submit a Quarterly Price Assessment by date indicated	2
7. Failure to verify identity of WIC client	2
8. Failure to allow WIC clients to use coupons or other promotional specials	2
9. Failure to offer WIC clients the same courtesies offered other customers	2

Subject: Vendor Sanction System – State Agency Violations

Violation	Points
10. Contacting a WIC client in an attempt to recover funds for WIC checks not paid	3
11. Maintaining stock of WIC foods on shelves past the manufacturer's expiration date printed on the package and/or container	3
12. Inappropriate and/or unauthorized use of the Kansas WIC vendor stamp	2
13. Failure to adhere to the approved procedures in accepting WIC checks	2
14. Collecting sales tax on a WIC transaction	5

Section B – State Agency Imposed Sanctions for Fraud and Abuse – **sanction points under this section will be assigned after the first incidence of the violation.**

Violation	Points
1. Failure to attend training as required by the Kansas WIC program	6
2. Issuing rain checks for any food listed on the WIC check	6
3. Providing false information on the Quarterly Price Assessment	6
4. Threaten, verbally or physically abuse WIC clients	10
5. Allow the return of food purchased with a WIC check in exchange for cash, credit or non-food items	10
6. Threaten, verbally or physically abuse WIC program personnel in the conduct of official WIC program business	10
7. Failure to provide access to vendor premises and/or in any manner hinder or impede authorized WIC personnel in the act of conducting an on-site education, monitoring, inventory audit or investigation visit	10
8. Make a false or misleading statement on a WIC Vendor Application, contract or amendment	15
9. Purchase infant formula from a source that is not listed on the Approved Infant Formula Wholesalers/Retailers/ Manufacturers form	15
10. Failure to return gross food sales data in the time frame as requested by State Agency.	15
11. Assessment of a civil money penalty (CMP) for hardship in the Kansas Food Assistance Program	Termination of Contract and disqualification for the period of time for which the vendor would otherwise have been disqualified from the Kansas Food Assistance Program
12. Mandatory sanction by another WIC State Agency	Termination of Contract and disqualification from the Kansas WIC program for the length of time as the disqualification assessed by the other State Agency